



# PROPOSAL FOR LOCAL VOTER-APPROVED FUNDING TO ADDRESS COMMUNITY NEEDS

CITY COUNCIL MEETING

Jovan D. Grogan, City Manager

July 9, 2019



# Objective

## Staff Report and Adopt Resolution

- Calling For And Giving Notice Of The Holding Of A General Municipal Election On Tuesday, November 5, 2019, and
- For The Submission To The Voters Of A Ballot Question Relating To A Local, City of San Bruno General Transactions And Use (Sales) Tax to maintain community services;
- Authorize City Attorney Impartial Analysis; and

## Waive First Reading, And Introduce By 2/3 Vote Of The City Council An Ordinance

- Adding Chapter 3.39 To The San Bruno Municipal Code Imposing A Transactions And Use Tax To Be Administered By The California Department of Tax and Fee Administration

# Agenda



- I. Improving Fiscal Sustainability
- II. Community Outreach
- III. Ballot Question
- IV. Request to Council & Next Steps
- V. Questions



# Improving Fiscal Sustainability



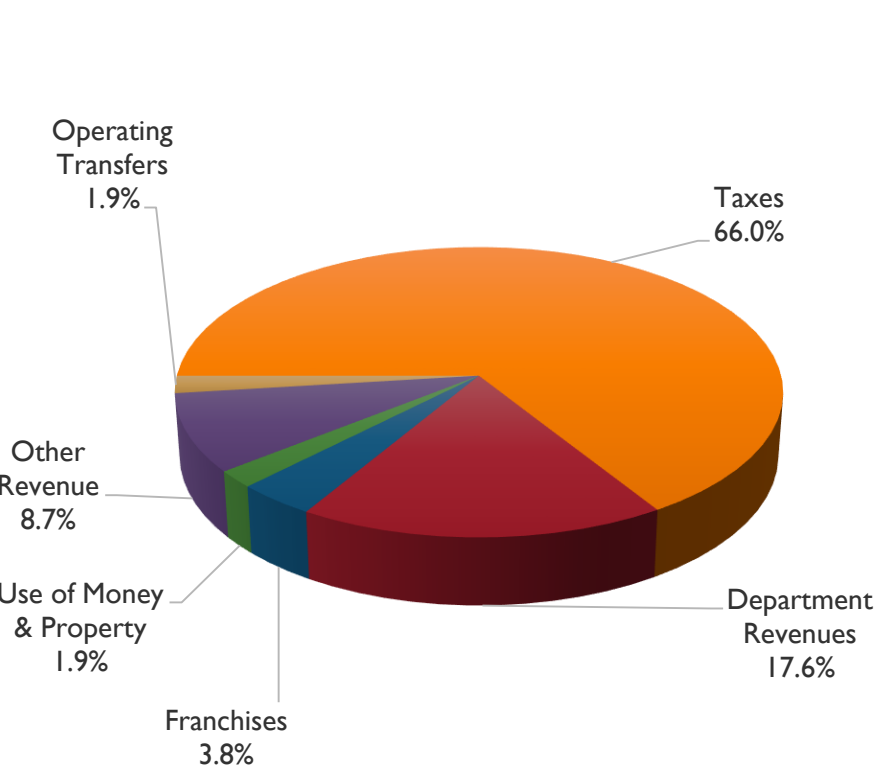
# FY2019-20 Budget Challenges

- Significant backlog of deferred capital maintenance projects for streets, roads and other public infrastructure
  - \$6 million annual deficit in the City's road repair program
- Existing Operational Deficit
- Rising Costs
- Expiring Collected Bargaining Agreements
- Cable Enterprise Fund Deficit
- Storm water Enterprise Fund Challenges
- Needed Personnel Investment
- IT System Maintenance and Investments
- Equipment and Vehicle funding
- Pressure on Fund Balances and Reserves

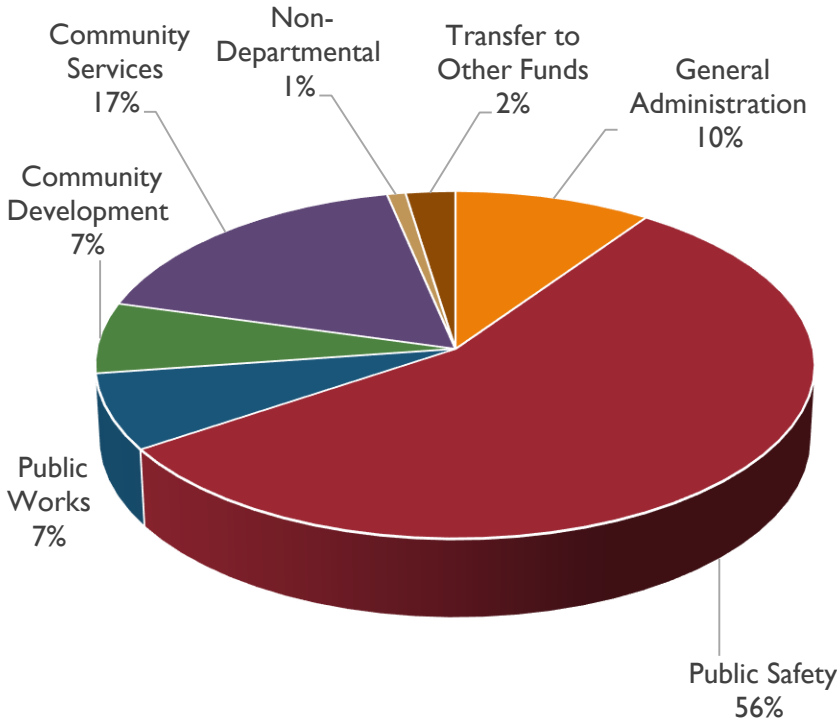


# FY2019-20 General Fund Summary

**General Fund Revenues**



**General Fund Expenditures**





# Property Tax Breakdown

## Your Property Tax Dollar





# Sales Tax Example

## Sample Sales Tax Eligible Purchase in San Bruno

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Sub-total	\$75.00
Sales Tax (8.75%)	\$6.56
Total Sale	\$81.56

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### Sales Tax Paid: \$6.56

- State of California \$4.50 (69%)
- County/Districts \$1.31 (20%)
- City of San Bruno \$0.75 (11%)



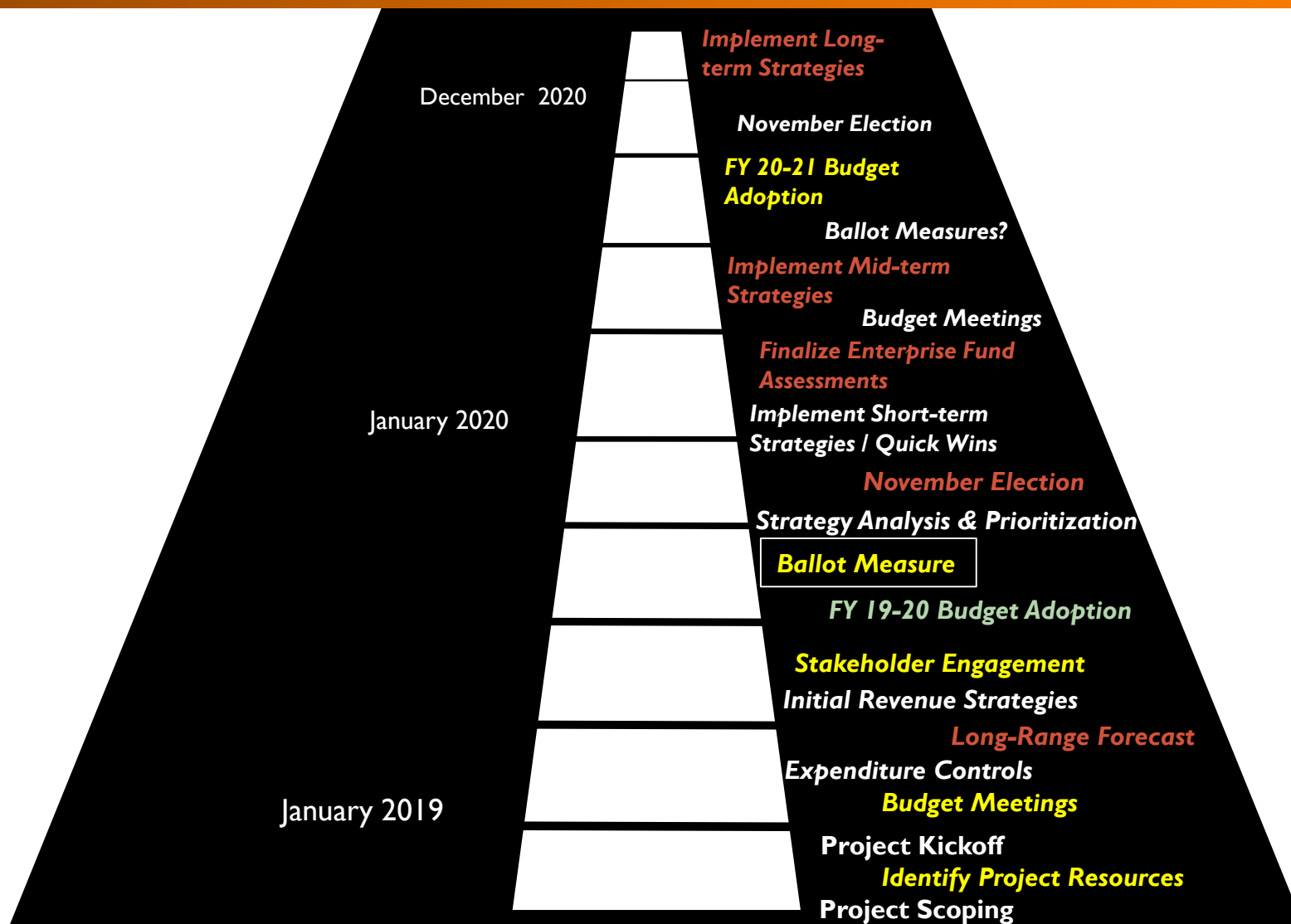
# Comprehensive Fiscal Sustainability Project



- Develop a comprehensive understanding of the financial pressures and constraints on the City's General Fund, today and into the foreseeable future.
- 3 goals
  - Understand Our Fiscal Challenge
  - Articulate Our Fiscal Challenge
  - Develop & Implement Strategies



# Comprehensive Fiscal Sustainability Project





# Local Control for Local Needs

- While San Bruno remains a great place to live, work and raise a family, money to maintain the City's infrastructure is diverted by State and County officials to regional or statewide infrastructure projects.
- These diversions have forced San Bruno to defer critically needed maintenance and safety upgrades to local infrastructure –including streets and potholes– to make ends meet.
- San Bruno needs local control over local needs for our residential streets and pothole repair, to maintain our local neighborhood police services, and to invest in our community needs, including providing safe parks and playgrounds.

# Improving Fiscal Sustainability

Steps the City has taken thus far to improve fiscal stability include:



## Complete

- Established Development Impact Fees (ensures developers pay their fair share)
- Standardized and modernized billing practices
- Implemented budgetary and expenditure controls and operational efficiencies
- Developed Cable Enterprise Business Plan



## In Progress

- Assessing User Fees and Permit Charges (to more accurately reflect City costs)
- Auditing property tax, hotel room tax, and business license tax payers
- Implementing Cable Enterprise Business Plan
- Developing Short-term Rental Ordinance
- Analyzing surplus and underutilized City property for potential sale or reuse



# Community Outreach



# Community Priorities Survey

In March of 2019, the City commissioned Godbe Research to conduct a survey of local voters with the following research objectives

- Gauge satisfaction with the City's provision of services and effective management of public funds;
- Assess perceptions about problems facing the City;
- Assess potential viability of a potential local funding measure to maintain essential City services and facilities with funding that cannot be taken by the State; and
- Identify respondent priorities.

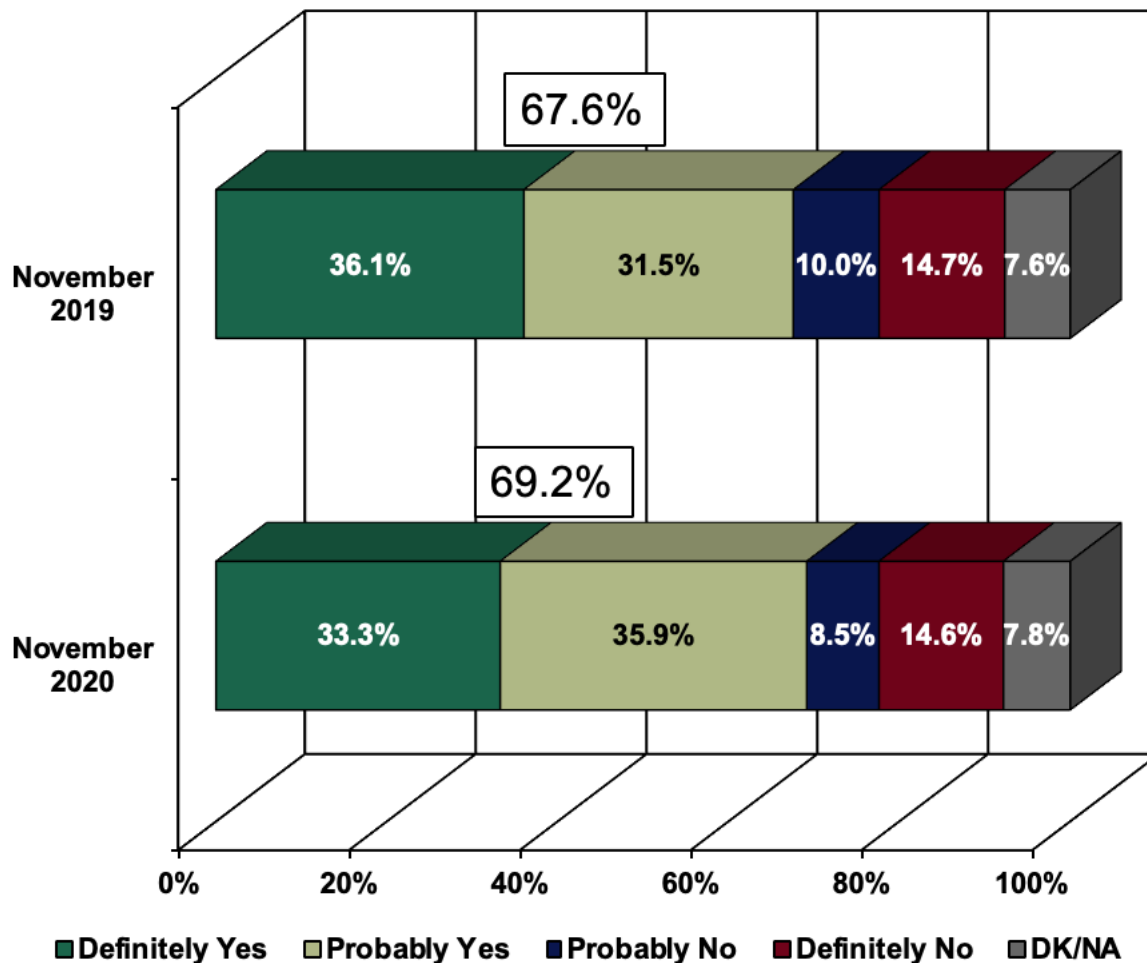
# Community Priorities Survey Findings



- Residents value and are satisfied with the services that they receive
- Respondents are interested in potential local funding solutions
- Should the Council wish to proceed, a measure shows potential viability in either a November 2019 or November 2020 election (absent a fiscal emergency, the only two that are options for this type of mechanism).



# Community Priorities Survey Findings



Shall the City of San Bruno's measure to fund essential city services and facilities such as:

- neighborhood police patrols, fire prevention services, urban wildfire protection, crime suppression and investigation;
- pothole and street repair;
- increasing parking supply;
- upgrading parks and other city facilities; and
- expanding services to support local businesses;

by levying a one-half cent sales tax, providing \$4 million dollars annually, until ended by voters, with independent citizens' oversight, no money for Sacramento, and all funds spent locally, be adopted?





# Community Needs & Priorities

In the community survey, residents identified the following service priorities:

- Increasing pothole and other street hazard repair
- Increasing ongoing street maintenance programs
- Maintaining neighborhood police patrols
- Attracting and maintaining local businesses
- Maintaining city parks and playgrounds
- Maintaining and repairing park structures for children and youth



# Council Direction and Further Outreach

After receiving the results of the community priorities survey, Council provided the City direction to continue outreaching the community in order to:

- Inform and engage community influentials around the city's needs
- Inform and engage additional residents around needs and solicit feedback on community priorities

If additional community response is consistent with statistically representative polling:

- Develop a potential measure that incorporates this input and is community-responsive, for the City Council's consideration



# Community Engagement

Per the Council's direction, city staff initiated a multi-modal community outreach program including:

- ▲ Comprehensive information on the City website including an online community priorities survey
- ▲ Outreach to community leaders asking for input
- ▲ Community presentations citywide
- ▲ Mailing each household in the city with information and a request to provide input.
- ▲ Over 28,000 residents have been engaged in this outreach program to date, with over 700 additional community responses.

# Enhancing Your San Bruno

## Enhancing Your San Bruno

[Home](#) » [EnhancingYourSanBruno](#)



Spring/Summer 2019

### Dear Neighbor,

It's an exciting time to be in San Bruno! In these changing times, the City is embracing the opportunities and challenges to maintaining our local quality of life and providing the services our residents identify as important.

As part of our 2019 budgeting process and to inform future planning, the City has embarked on a fiscal sustainability effort to ensure we are continuing to address your priorities. In March 2019, the City conducted a Community Priorities Survey to ask residents about whether they are satisfied with the services we provide and obtain input on community priorities. Some of the priorities identified by your neighbors included:

- Increasing pothole and other street hazard repair
- Increasing ongoing street maintenance programs
- Maintaining neighborhood police patrols
- Attracting and maintaining local businesses
- Maintaining city parks and playgrounds
- Maintaining and repairing park structures for children and youth

We are continuing to solicit input as the foundation of an ongoing community-empowered budget and fiscal planning process. The City is committed to continuing to reflect your priorities, so our local quality of life is maintained and enhanced.

**We want to hear from YOU.** Please tell us what you think by completing the survey, and letting us know YOUR priorities for San Bruno.



# Additional Outreach Results

#	Priority	Average Importance Score
1	Increasing pothole and other street hazard repair	2.3
2	Increasing ongoing street maintenance programs	2.9
3	Maintaining neighborhood police patrols	2.5
4	Attracting and maintaining local businesses	3.6
5	Maintaining city parks and playgrounds	3.4
6	Maintaining and repairing park structures for children and youth	3.9

**229** electronic  
survey  
responses

**456** mailed  
survey  
responses

**685** total  
survey  
responses

# Survey Comments

“Please pave my street, Parkview Court, it’s in bad shape and needs to be paved.”

Ann C.

“San Bruno has aging infrastructure (like elsewhere in the region). We need to invest in a robust CIP to keep ahead of failures in sewers, streets and water. Keep focused on fundamentals.”

Anonymous

“I fell twice by ‘gives address’—on the street, pls fix.”

Grace L.

“police patrols especially during the summer months! Break ins go up during those months.”

Keith A.

“deferred maintenance can become a very costly financial situation later on. Not smart.”

Noel R.



# Ballot Question



# Ballot Question

San Bruno Street Repair /Local City Services Measure:  
Shall the City of San Bruno's measure to fund city services/ facilities such as neighborhood police patrols, fire prevention services, urban wildfire protection, crime suppression/investigation; pothole/street repair; increasing parking supply; upgrading parks/other city services/facilities; expanding services to support local businesses; by levying a ½¢ sales tax, providing \$4,000,000 annually, until ended by voters, with independent citizens' oversight, no money for Sacramento, all funds spent locally, be adopted?





# Resolution & Ordinance

- Authorize a process permitting a community submittal of the argument
- City Attorney's impartial analysis
- Ordinance Features
  - Adopts local transaction and use tax at ½ cent
  - Allocates proceeds for general purposes
  - Includes strong fiscal accountability provisions
  - Retail based tax
  - Administered by the California Department of Tax and Fee Administration



# Request to Council & Next Steps



# Election Cycle Timeline



Date	Item
February – April 2019	Conduct community priorities survey
April 23, 2019	Present community priorities survey results at City Council Meeting
May – July 2019	Public education and outreach to San Bruno community
June – July 2019	Internal ballot measure planning and preparation
July 9, 2019	City Council ballot ordinance – 1 <sup>st</sup> reading (introduction) & Resolution Adoption
July 23, 2019 *	City Council ballot ordinance – 2 <sup>nd</sup> reading (action item)
August 8, 2019	Last day to place a measure on the ballot for November 2019
November 5, 2019	Election day (absentee ballots mailed week of October 7 <sup>th</sup> )
April 1, 2020	New tax takes effect if ballot measure passes

\* 2/3 vote (or 4 of 5) for City Council approval for measure to be placed on the ballot.



# Request to City Council

## Receive Staff Report and Adopt Resolution

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# In Closing...

- After a year of planning and community engagement, it is clear that San Bruno community members are happy with their current quality of life and are interested in maintaining it, and are also interested in additional investment in core services, including roads.
- After learning about the City's financial needs, residents appear interested in the opportunity to consider a measure which addresses their strongest priorities.
- Per council direction, staff has prepared a potential measure to place on the ballot for voter consideration.

# Questions





# Appendix